

SENATE BILL NO. 499

INTRODUCED BY K. MILLER, A. PETERSON

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING THE MONTANA OPPORTUNITY SCHOLARSHIP PROGRAM; AUTHORIZING A TAX LEVY FOR THE SUPPORT OF THE SCHOLARSHIP PROGRAM; AUTHORIZING ~~LOCAL GOVERNMENTS~~ EACH COUNTY TO LEVY A TAX TO SUPPORT THE SCHOLARSHIP PROGRAM; PROVIDING THAT THE PROPOSED ACT BE SUBMITTED TO THE QUALIFIED ELECTORS OF MONTANA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Montana opportunity scholarship program -- DEFINITION. (1) There is

a Montana opportunity scholarship program to assist Montana residents who intend to enroll in a postsecondary institution located within the state. Funding for the scholarship program must be provided by the board of regents and by the ~~community~~ COUNTY in which the postsecondary institution is located.

(2) AS USED IN [SECTIONS 1 THROUGH 5], "POSTSECONDARY INSTITUTION" MEANS A UNIT OF THE MONTANA UNIVERSITY SYSTEM, A MONTANA PUBLIC COMMUNITY COLLEGE, OR AN ACCREDITED TRIBAL COLLEGE LOCATED IN THE STATE OF MONTANA.

~~**NEW SECTION. Section 2. Definitions. As used in [sections 1 through 5], the following definitions apply:**~~

~~(1) "Local community" means the area in which a postsecondary institution is located. A local community may be a county, an incorporated city or town, a consolidated city-county government, or any combination.~~

~~(2) "Postsecondary institution" means a unit of the Montana university system, a Montana public community college, or an accredited tribal college located in the state of Montana.~~

NEW SECTION. Section 2. Administration of Montana opportunity scholarship program. (1) The board of regents shall administer the Montana opportunity scholarship program and shall adopt policies and procedures related to the implementation and administration of the program, including but not limited to:

(a) procedures regarding the application process for eligible students to obtain an opportunity scholarship;

(b) notification to students, parents, teachers, school administrators, and ~~local communities~~ COUNTIES of all criteria, procedures, and timelines;

(c) conditions and procedures for entering into cooperative agreements with eligible Montana tribal colleges; and

(d) procedures for the annual disbursement of opportunity scholarships.

(2) Each semester or quarter, the board of regents shall issue payments to the postsecondary institution attended by an opportunity scholarship recipient.

(3) Except as provided in [section 4(3)], an opportunity scholarship is valid for a maximum of 8 semesters or 12 quarters or the completion of 120 undergraduate hours, whichever comes first.

(4) The opportunity scholarship may be used for expenses such as tuition or mandatory fees or class fees. The opportunity scholarship may not be used for room and board.

(5) Each postsecondary institution shall establish a community service requirement that a student shall complete in order to continue receiving the opportunity scholarship. The requirement must include a minimum of 50 hours of community service each year. The requirement must be fulfilled by the student within the ~~community~~ COUNTY in which the postsecondary institution attended by the student is located.

NEW SECTION. Section 3. Eligibility requirements -- basic residency requirement -- continuing eligibility for participation. (1) To be eligible to receive an opportunity scholarship, a person seeking a certificate or an associate or baccalaureate degree at a postsecondary institution must:

(a) (i) be classified as a Montana resident for at least 12 consecutive months prior to enrollment in a postsecondary institution and meet the board of regents' policy for in-state tuition; or

(ii) have graduated from a Montana high school; and

(b) have been admitted, enrolled, or classified as a full-time undergraduate student in a degree or certificate program at a postsecondary institution.

(2) (a) An opportunity scholarship may be renewed annually if the student:

(i) completes the community service requirement established in [section 3(5)]; and

(ii) maintains a 3.0 cumulative grade point average computed on a 4.0 scale. A ~~local community~~ COUNTY may impose a higher cumulative grade point average requirement as a condition for renewal.

(b) If a student fails to meet the renewal requirements in this subsection (2), the opportunity scholarship must be terminated.

(3) A person with a baccalaureate degree who enrolls in a postsecondary institution with the intention of seeking a certificate or an associate degree may apply for an opportunity scholarship if the person meets the eligibility requirements of this section. If the person receives an opportunity scholarship, the scholarship is valid for a maximum of four semesters or six quarters.

NEW SECTION. Section 4. Opportunity scholarship account -- scholarship award -- ~~local~~ COUNTY match. (1) There is an opportunity scholarship account in the state special revenue fund as provided in 17-2-102. Funds raised by the levy imposed under [section 6] must be deposited in the account. The board of regents is authorized to expend funds from the account to pay for the scholarships awarded pursuant to [sections 1 through 5].

(2) Except as provided in subsection (3), the opportunity scholarship award for each student is \$1,000, with:

(a) \$500 to be paid by the board of regents from the opportunity scholarship account established in this section; and

(b) \$500 to be paid by the ~~local community~~ COUNTY IN WHICH A POSTSECONDARY INSTITUTION IS LOCATED.

(3) (a) A ~~local community~~ COUNTY IN WHICH A POSTSECONDARY INSTITUTION IS LOCATED may provide funding for the opportunity scholarships by accepting gifts, grants, or donations or by levying a tax as authorized in [section 7]. Money received from these sources must be deposited in a special account.

(b) If a ~~local community~~ THE COUNTY is unable to contribute \$500 for each opportunity scholarship, the ~~local community~~ COUNTY may prorate its contribution in a manner that provides the same amount to each eligible student.

(c) If the contribution by the ~~local community~~ COUNTY is less than \$500, the board of regents shall reduce its contribution by a like amount.

(d) If a ~~local community~~ COUNTY contributes more than \$500 for each opportunity scholarship, the board of regents' contribution must remain at \$500.

NEW SECTION. Section 5. Tax levy for opportunity scholarships. There is levied ~~6~~ 4 mills upon

the taxable value of all real estate and personal property subject to taxation in the state of Montana. The funds raised from the levy must be deposited in the opportunity scholarship account established in [section 5].

NEW SECTION. Section 6. Tax levy for opportunity scholarships -- definitions. (1) If approved by a majority of the qualified electors voting on the question, a local government may impose a levy on the taxable value of all property within its jurisdiction in an amount determined by the governing body for the purpose of financing the ~~local community~~ COUNTY contribution to the Montana opportunity scholarship program established in [sections 1 through 5]. Money received from the tax must be deposited in a special account to be used for the purposes of this section.

(2) As used in this section, ~~the following definitions apply:~~

~~(a) "Local community" has the same meaning as provided in [section 2].~~

~~(b) "Local "LOCAL government" means a county, an incorporated city or town, or a consolidated city-county government.~~

NEW SECTION. Section 7. Notification to tribal governments. The secretary of state shall send a copy of [this act] to each tribal government located on the seven Montana reservations and to the president of each tribal college located in Montana.

NEW SECTION. Section 8. Codification instruction. (1) [Sections 1 through 5] are intended to be codified as an integral part of Title 20, chapter 26, and the provisions of Title 20, chapter 26, apply to [sections 1 through 5].

(2) [Section 6] is intended to be codified as an integral part of Title 15, chapter 10, part 1, and the provisions of Title 15, chapter 10, part 1, apply to [section 6].

(3) [Section 7] is intended to be codified as an integral part of Title 7, chapter 6, and the provisions of Title 7, chapter 6, apply to [section 7].

NEW SECTION. Section 9. Effective date. If approved by the electorate, this act is effective January 1, 2003.

1 NEW SECTION. **Section 10. Applicability.** This act applies to tax years beginning after December
2 31, 2002.

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4 NEW SECTION. **Section 11. Submission to electorate.** The question of whether this act will
5 become effective shall be submitted to the qualified electors of Montana at the general election to be held
6 in November 2002 by printing on the ballot the full title of this act and the following:

7 [] FOR imposing a levy of ~~6~~ 4 mills for the Montana opportunity scholarship program.

8 [] AGAINST imposing a levy of ~~6~~ 4 mills for the Montana opportunity scholarship program.

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